



DEFENSE LOGISTICS AGENCY
DEFENSE CONTRACT MANAGEMENT COMMAND
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SEP 15 1997

IN REPLY
REFER TO AQQ

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (ACQUISITION AND
TECHNOLOGY)
PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE
(ACQUISITION AND TECHNOLOGY)
DIRECTOR, DEFENSE PROCUREMENT
DEPUTY UNDER SECRETARY OF DEFENSE (ACQUISITION
REFORM)
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DEVELOPMENT AND ACQUISITION)
ASSISTANT SECRETARY OF THE NAVY (RESEARCH,
DEVELOPMENT AND ACQUISITION)
ASSISTANT SECRETARY OF THE AIR FORCE (ACQUISITION)
DIRECTOR, BALLISTIC MISSILE DEFENSE ORGANIZATION

SUBJECT: Single Process Initiative (SPI) Biweekly Activity Report

Forwarded for your review is our biweekly report for the period ending September 12, 1997. This report marks the return of our statistical data and highlights an example of more savings resulting from our SPI efforts, new International targeting efforts, and more.

Should you have any questions or concerns regarding information contained in the attached report, please contact Ms. Marialane Schultz, SPI/Block Change Management Team Leader at (703) 767-2471.

Timothy P. Malishenko
Brigadier General, USAF
Commander

Attachment

cc:
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***Single Process Initiative
Biweekly Report
September 12, 1997***

We're Over a Thousand!!!

- More than 1000 processes submitted, up 169% from this time last year.
- Eleven new contractor facilities joined the program, five are top 200 contractors.

Contractor Facilities	224
Processes Submitted	1099
Processes Modified	583
Negotiated Consideration	\$ 8.7 million
Estimated Cost Avoidance	\$271.8 million
Average Cycle Time	135 days

They're Back

- After upgrading our database, statistics return in this report. We have instituted better tracking metrics to zero-in on those processes exceeding established time frames, so we can focus on resolution of issues contributing to overage processes.
- Appendices A and B contain summary information on SPI implementation.

Lockheed Martin Hands Over Another Check

- On August 19, 1997, officials from Lockheed Martin Tactical Aircraft Systems, Fort Worth, TX, presented a check for \$1.6 million to the United States Government. Represents consideration from two approved SPI concept papers: replacement of military standard parts control program and technological improvements in data delivery.
- Savings shared by the F-16, F-22, and Joint Strike Fighter Programs. Approval of these concepts also reduces cost of future work.
- Other benefits are reduced part approval cycle time, delivery schedules, reduced reproduction and storage costs, and increased usability of data.

An Update to Packaging Issues

- Resolution underway for escalated General Electric Aircraft Engines (GEAE) concept.
 - Navy and Air Force approved proposal providing all material test data is submitted to acquisition activity within 2 weeks, allowing GEAE to ship material without lead time restriction.
 - Army recommends using same "post notification" language developed by Allied Signal Engines Management Council in Phoenix. Army approval expected this week.
- Acting Deputy Under Secretary of Defense (Logistics) August 13, 1997 letter provides funding information to upgrade Materiel Management Automated Data Processing system.
 - Air Force adapted their packaging software database to accommodate MIL-STD-2073-1C.
- Army Service Acquisition Executive requested analysis of Performance Based specifications.
- Navy survey found no undercurrent of resistance to commercial packaging SPIs.
- DCMC established a HQ DCMC focal point to develop a lessons learned package, facilitate disposition of open concepts, and reexamine previously rejected/withdrawn packaging issues.

Prime Contractor Support of Subcontractor SPI Processes Growing

- Under Secretary of Defense (A&T) memorandum of May 16, 1997 encourages Management Councils to facilitate and enable substitution of accepted subcontractor SPI processes.
- Three prime contractors have approved enabling processes, nine more are in the works.
- Significant leveraging potential at the subcontractor tier.
- Boeing to encourage suppliers to embrace SPI at October 21-22, 1997 Supplier Conference, Seattle, WA. With over 50% of their business subcontracted out, Boeing has high expectations to leverage potential cost saving benefits at the subtier level.

An International “Push”

- Defense Contract Management District International (DCMDI) pushing for more concept paper submissions by targeting international divisions of companies whose United States counterparts are SPI participants.
- Site visits and briefings are scheduled for fall 1997 to seven contractor facilities in Saudi Arabia, three in Canada, and three in the United Kingdom.

Commercial Insertion Provides Greater Access To Advanced Electronics Technologies

- There is good potential to integrate commercial technological advancements in military systems.
- Computer Aided Life Cycle Engineering (CALCE) Electronic Packaging Research Center (EPRC), University of Maryland, is a research, technology transfer, and educational organization providing support to development of competitive electronic products in a timely manner.
- HQ DCMC evaluating approaches to advance commercial insertion through SPI by linking our efforts with those of the CALCE EPRC (www.calce.umd.edu). More to come.

Upcoming Air Force Conference

- Air Force Materiel Command is sponsoring its annual Chief Executive Officer Conference at Fort MacArthur Annex, CA, September 24-25, 1997.
- SPI is on the agenda and the new Defense Contract Management Command (DCMC) Commander, Brig Gen Timothy Malishenko, plans to participate.
- Currently 21 senior level executives will represent their corporations.

In Summary...

- Prime contractors are increasingly enabling their subcontractors to substitute accepted subcontractor equivalent processes.
- HQ DCMC SPI Team linking efforts to advance commercial insertion of new technologies.

**DCMC SPI Homepage: www.dcmc.dcrb.dla.mil/
Select “Hot Topics”**

Appendix Index

Appendix A - Executive Summary

Appendix B - Charts

APPENDIX A



SINGLE PROCESS INITIATIVE

Implementation Summary

As of: Friday, September 12, 1997

Contractor Facilities:	224
Top 200 Corporation Facilities:	132
International Facilities:	6

Total Proposed Process Changes:	1099
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Found Technically Unacceptable:	44
Processes Withdrawn/Disapproved:	160

Total Block Change Modifications:	583
Average days from Submittal to Modification:	135

Total Open:	356
* Total Open Aged Over 120 days:	128

Proposal Development (30 Days)

Total Under Development/Awaiting Initial Acceptance:	56
Total Under Development for More Than 30 Days:	33

Approval (60 days)

Total Under Review for Approval:	172
Disagreements/Problems Escalated:	16
Total Under Review for More Than 60 Days:	90

Modification (30 Days)

Total Awaiting Contract Modification:	128
Total Awaiting Contract Modification for More Than 30 Days:	72

Implementation Results

Amount Negotiated:	\$8,694,684
Estimated Cost Avoidance on Future Contracts:	\$271,795,210

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* Does not include Law/Reg Proposals

APPENDIX B

